

MICROENTERPRISE

Program Survey for Regulatory Agencies

Office/Agency: Federal Deposit Insurance Corporation

Program Name: Community Affairs Program

Web Address: www.fdic.gov/publish/comaffrs.html

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Which financial institutions does your agency supervise?

The Federal Deposit Insurance Corporation (FDIC) is the primary federal regulator of approximately 6,000 state chartered banks that are not members of the Federal Reserve System.

How can federally regulated financial institutions support microenterprise development?

Banks can support microenterprise development in three primary ways: (1) lending; (2) “qualified” investments (including grants); and (3) providing services and technical assistance.

Lending -- Lending can be either directly to the microenterprise or to a non-profit organization or financial intermediary, such as Community Development Financial Institutions (CDFIs), Community Development Corporations (CDCs), minority and women-owned financial institutions, and low income or community development credit unions that primarily lend or facilitate lending to microenterprises. An increasing number of institutions have small business or micro-lending programs that focus on loans to businesses in amounts that range from \$10,000 to \$100,000. A financial institution that partners with other federal and community organizations can further assist microenterprises by participating in and offering programs that are either partially funded or guaranteed by government programs.

Investments -- Banks may make certain “qualified investments in programs or organizations that serve microentrepreneurs.” A qualified investment is defined as a lawful investment, deposit, membership share or grant that has as its primary purpose

community development. Examples of qualified investments include investments, grants, deposits or shares in or to financial intermediaries such as CDFIs, CDCs, minority and women-owned financial institutions, and low income or community development credit unions that primarily lend or facilitate lending to low-and moderate-income areas or individuals; and to organizations promoting economic development by financing small businesses, such as Small Business Investment Companies (SBICs).

Services -- Banks may also support microenterprise development by providing banking services (particularly innovative and responsive means of reaching the traditionally under-served or “unbanked”), technical assistance or counseling to microenterprises or to non-profit intermediaries that specialize in microenterprise development.

How does your agency encourage financial institution support for microenterprise development?

The FDIC promotes banks’ compliance with fair lending laws, including Community Reinvestment Act (CRA), Equal Credit Opportunity Act and Fair Housing Act, through on-site examinations, community outreach initiatives, responses to complaints and inquiries and other efforts. The FDIC is required under the Community Reinvestment Act to encourage its supervised financial institutions to help meet the needs of their local communities, including low- and moderate-income neighborhoods and individuals, consistent with safe and sound operations. Financial institutions can help meet their obligations under the Community Reinvestment Act, by providing credit, investments and banking services that benefit microenterprises.

Additionally, the FDIC’s Community Affairs Program sponsors conferences, seminars and facilitates meetings among bankers, community organizations, small businesses, and local government leaders to promote partnerships between public and private organizations to identify local credit needs and to develop strategies to meet those needs.

Examples of Microenterprise Development Programs assisted or encouraged by the FDIC:

Outreach efforts in the FDIC’s Chicago Regional Office area of Humboldt Park, Illinois, resulted in the Greater Humboldt Park Micro-loan partnership. The initiative is a collaborative community effort involving local financial institutions, local community organizations, ACCION Chicago and the FDIC. The FDIC’s Chicago office served as an intermediary and coordinator of various meetings to bring together key players. Out of this effort, which began in 1996, a micro-loan pool, with ACCION as the intermediary, involving seven financial institutions has developed to serve small businesses in this predominantly low-income Hispanic community.

Where can a micro-entrepreneur, intermediary or financial institution learn more about local FDIC initiatives assisting or encouraging microenterprise development?

A microenterprise, intermediary or financial institution may contact any of our Regional Offices or the Washington headquarters for more information about FDIC sponsored or facilitated microenterprise development programs or initiatives. The addresses and telephone numbers follow.

Atlanta Region
James Pilkington, Community Affairs Officer
1201 West Peachtree Street, N.E.
Atlanta, Georgia 30309-3415
(404) 817-1300

Boston Region
Shirley Parish, Community Affairs Officer
15 Braintree Hill Office Park
Braintree, Massachusetts 02184
(781) 794-5632

Chicago Region
Michael Frias, Community Affairs Officer
500 West Monroe
Suite 3300
Chicago, Illinois 60661
(312) 382-7506

Dallas Region
Eloy Villafranca, Community Affairs Officer
1910 Pacific Avenue
20th Floor
Dallas, Texas 75201
(972) 761-8010

Kansas City Region
Deanna Caldwell, Community Affairs Officer
2345 Grand Avenue
Suite 1500
Kansas City, Missouri 64108
(816) 234-8151

Memphis Region
David Wright, Community Affairs Officer
5100 Poplar Avenue
Suite 1900

Memphis, Tennessee 38137
(901) 821-5295

New York Region
Valerie Williams, Community Affairs Officer
452 5th Avenue
19th Floor
New York, New York 10018
(212) 704-1245

San Francisco Region
Linda Ortega, Community Affairs Officer
25 Ecker Street
Suite 2300
San Francisco, California 94105
(415) 808-8115

Other Related Websites:

Link to other supervisory agencies: FRB, OCC, OTS.